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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

May 22, 2008

Reviewed: LK

Mine Name: Redd Block IV
Operator Name: Denison Mines

Permit number: M0370046
Inspection Date: April 30, 2008
Time: 1:30-2:00 PM

Inspector(s): Paul Baker
Other Participants: None
Mine Status: Inactive

Weather: Partly cloudy, 60s

| Elements of Inspection | Evaluated | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Revisions, Transfer, Bonds | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Public Safety (shafts, adits, trash, signs, highwalls) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Protection of Drainages / Erosion Control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Deleterious Material | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Roads (maintenance, surfacing, dust control, safety) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Concurrent Reclamation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Soils | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Revegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Other | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Purpose of Inspection:
This was a routine inspection.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

On November 13, 2007, the Division sent a letter to the operator approving the new reclamation contract. The operator name changed from International Uranium to Denison Mines, but this was not considered a permit transfer.

The surety being held for reclamation of this site is \$13,200.00. The amount is due for adjustment in 2010.

10. Other

The site consists of two empty water treatment ponds, a flattened area with a concrete pad, an opened cased hole (water monitoring well?) next to the pad, and some power poles with Utah Power labels. This mine has never been opened. I dropped a few rocks in the cased hole, and it took about eight seconds for them to hit the bottom. I did not hear a splash.

Conclusions and Recommendations:

The drill hole should be capped.

Inspection Date: April 30, 2008; Report Date: May 21, 2008
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Inspector's Signature

[Handwritten Signature]

PBB:pb

cc: Harold Roberts, Denison

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Photo 1. This appears to be a water monitoring well, but it was not capped.



Photo 3. This is one of the ponds.



Photo 2.



Photo 4. An overview of the area where the concrete pad is located.